

HOUSE BILL REPORT

ESHB 1062

As Passed Legislature

Title: An act relating to energy efficiency.

Brief Description: Regulating the energy efficiency of certain products.

Sponsors: By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Hudgins and Chase; by request of Governor Locke).

Brief History:

Committee Activity:

Technology, Energy & Communications: 1/25/05, 2/3/05 [DPS].

Floor Activity:

Passed House: 2/11/05, 80-18.

Senate Amended.

Passed Senate: 4/6/05, 34-15.

House Concurred.

Passed House: 4/21/05, 85-13.

Passed Legislature.

Brief Summary of Engrossed Substitute Bill

- Establishes minimum standards and testing procedures for 12 electrical products.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Morris, Chair; Kilmer, Vice Chair; Crouse, Ranking Minority Member; Haler, Assistant Ranking Minority Member; Ericks, Hudgins, P. Sullivan, Sump, Takko and Wallace.

Minority Report: Do not pass. Signed by 1 member: Representative Nixon.

Staff: Sarah Dylag (786-7109).

Background:

Two federal laws, and their accompanying regulations, govern energy efficiency standards for certain electrical products. The National Appliance Energy Conservation Act of 1987 specifies efficiency standards, testing procedures, and labeling requirements for certain residential appliances such as dishwashers, room air conditioners, and fluorescent-lamp ballasts. The Energy Policy Act of 1992 specifies similar requirements for certain types of

industrial equipment such as electric motors, commercial water heaters, and commercial furnaces.

Washington has not adopted state efficiency standards for products not covered by federal law.

Summary of Engrossed Substitute Bill:

Efficiency Standards

Minimum standards and testing procedures are established for 12 electrical products that are not covered by federal law. The efficiency standards apply to products sold, offered for sale, or installed in the state. The standards do not apply to: (1) products installed in mobile manufactured homes at the time of construction; and (2) products designed expressly for installation and use in recreational vehicles. The 12 electrical products are:

- *automatic commercial ice cube machines*, such as those found in motels and restaurants;
- *commercial clothes washers*, such as those found in apartments and coin laundries;
- *commercial pre-rinse spray valves*, such as those used in restaurants to remove food residue from plates prior to their cleaning;
- *commercial refrigerators and freezers*, such as those used in large institutional kitchens;
- *illuminated exit signs*, such as those used in public buildings to mark exit doors;
- *low-voltage dry-type distribution transformers*, which are devices that reduce electrical voltage and are often found in electrical closets of office buildings;
- *metal halide lamp fixtures*, such as those found on the high ceilings of industrial buildings and gymnasiums;
- *single-voltage external AC to DC power supplies*, such as the small boxes attached to power cords that allow battery-operated appliances to use power from electrical outlets;
- *incandescent reflector lamps*, such as the light bulbs that are typically used in "recessed can" lights;
- *torchieres*, which are portable lamps used to provide indirect lighting;
- *traffic signal modules*, which are used in street and highway traffic signals; and
- *commercial space heaters* that use natural gas or propane.

Tests and Inspections

With certain exceptions, all manufacturers of covered products must test and certify their products using specified tests. Manufacturers of covered products must identify their products as in compliance with the state efficiency standards. The Department of Community, Trade, and Economic Development (CTED) must obtain the test methods in paper form and make them available for public use.

The CTED is authorized to test covered products. If a product fails its test, the CTED must inform the public of the test results and charge the manufacturer for the cost of purchasing and testing the product.

The CTED must investigate alleged violations of the standards. A manufacturer or distributor that repeatedly violates the standards is subject to a civil penalty of not more than \$250 per day.

Statutory updates

The CTED may recommend updates to the energy efficiency standards and test methods for the covered products. The CTED may also recommend establishing state standards for additional nonfederally covered products. Any recommendations shall be transmitted to the appropriate committees of the Legislature 60 days before the start of any regular legislative session.

In making recommendations, the CTED must use the following criteria:

- multiple manufacturers produce products that meet the proposed standard at the time of recommendation;
- products meeting the proposed standard are available at the time of recommendation;
- products are cost-effective to consumers on a life-cycle cost basis using average Washington resource rates;
- the utility of the energy efficient product meets or exceeds the utility of the comparable product available for purchase; and
- the standard exists in at least two other states in the United States.

For commercial clothes washers, the CTED must consider the fiscal effects on the low-income, elderly, and student populations.

Effective dates for selling covered products

New products, except commercial ice-makers and metal halide lamp fixtures, may not be sold on or after January 1, 2007, if they do not meet or exceed the specified standards. The effective date for new ice-makers and halide lamps is January 1, 2008.

Effective dates for installing covered products

New products, except commercial ice-makers and metal halide lamp fixtures, may not be installed for compensation on or after January 1, 2008, if they do not meet or exceed the specified standards. The effective date for new ice-makers and halide lamps is January 1, 2009.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The cheapest way to produce more energy is to use it more efficiently. The benefits of these standards include energy efficiency and conservation. There are a number of

environmental benefits to these standards. There are also economic benefits to the state from these standards.

These standards also provide opportunity for businesses and consumers. Using more energy efficient products will produce economic savings. For businesses, these standards provide rate stability, quick payback, and do not change the rules of competition. These standards would also benefit consumers because the standards will help businesses become more profitable and more profitable businesses benefit consumers.

Product efficiency standards are also a key component of the power planning for the region. Energy efficiency standards contribute to the state's energy independence and job creation. Reducing demand for natural gas, as these standards are designed to do, will increase security and viability of energy supply.

Testimony Against: Additional input should be added from businesses regarding the technical standards. There should be additional criteria added to the CTED rulemaking authority. Civil penalties should not apply to retailers. Instead, the manufacturer and/or distributor should receive civil penalties for violations, except for situations where the retailer is also the manufacturer or distributor.

There is a concern about the date for implementation and whether small stores could meet that date.

Persons Testifying: (In support) Representative Morris, prime sponsor; Jake Fey, Washington State University Energy Program; David Hewitt, Northwest Energy Efficiency Council; Robert Pregulmen, WashPIRG; Bill LaBorde, Northwest Energy Coalition; and Rich Feldman, Apollo Washington.

(Neutral) Tony Usibelli and Liz Klump, Department of Community, Trade and Economic Development.

(Concerns) Jan Gee, Washington Food Industry and Washington Retail Association.

Persons Signed In To Testify But Not Testifying: Kim Clauson-Hoff, Washington Restaurant Association; and Kristen Sawin, Association of Washington Business.